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MORGAN COUNTY EMPLOYER COMMITS INSURANCE FRAUD
Provided false information to workers' comp insurer

FRANKFORT, Ky. (July 1, 2008) – A Morgan County man pleaded guilty to one felony count of insurance fraud after providing false information to his workers' compensation insurance company. The case was investigated by the Kentucky Department of Insurance Fraud Investigation Division.

Sidney L. Allen, 45, of West Liberty, had insured his construction company with Kentucky Employers' Mutual Insurance (KEMI). However, he did not have workers' comp coverage for a logging business he also owned.

The fraud was discovered when an employee was injured in a logging accident and filed a workers' comp claim with KEMI. Allen falsified documents claiming the employee worked for the construction business and was injured when he fell off a ladder.

Final sentencing for Allen is scheduled for Aug. 25 in Morgan Circuit Court. According to court documents, the commonwealth recommended a sentence of five years to be diverted for five years; restitution of \$109,985 to be paid to KEMI prior to sentencing; the filing of an anti-fraud plan for any business for which Allen has an ownership or management interest; and a fine of \$109,985.

The Department of Insurance is an agency of the Public Protection Cabinet.